



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O. Box 13528 • Austin, TX 78711-3528

October 12, 2015

Herb Youngblood
Superintendent
Abernathy Independent School District
505 7th St.
Abernathy, Texas 79311

Dear Superintendent Youngblood:

On July 13, 2015, the Comptroller issued written notice that Hale Wind Energy Project 1, LLC (the applicant) submitted a completed application (Application #1078) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted on June 15, 2015, to the Abernathy Independent School District (the school district) by the applicant.

This presents the results of the Comptroller's review of the application and determinations required:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
- 2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

Determination required by 313.025(h)

Sec. 313.024(a)	Applicant is subject to tax imposed by Chapter 171.
Sec. 313.024(b)	Applicant is proposing to use the property for an eligible project.
Sec. 313.024(d)	Applicant has requested a waiver to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.
Sec. 313.024(d-2)	Not applicable to Application #1078.

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

¹ All statutory references are to the Texas Tax Code, unless otherwise noted.

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period. See Attachment B.

Determination required by 313.026(c)(2)

The Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. See Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).

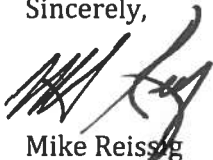
The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-286) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement within a year from the date of this letter.

Note that any building or improvement existing as of the application review start date of July 13, 2015 or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Korry Castillo, Director, Data Analysis & Transparency, by email at korry.castillo@cpa.texas.gov or by phone at 1-800-531-5441, ext. 3-3806, or direct in Austin at 512-463-3806.

Sincerely,



Mike Reissig
Deputy Comptroller

Enclosure

cc: Korry Castillo

Attachment A – Economic Impact Analysis

This following tables summarizes the Comptroller's economic impact analysis of Hale Wind Energy Project 1, LLC (the project) applying to Abernathy Independent School District (the district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

Table 1 is a summary of investment, employment and tax impact of Hale Wind Energy Project 1, LLC.

Applicant	Hale Wind Energy Project 1, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Abernathy ISD
2011-12 Enrollment in School District	777
County	Hale
Proposed Total Investment in District	\$200,000,000
Proposed Qualified Investment	\$200,000,000
Limitation Amount	\$25,000,000
Number of new qualifying jobs committed to by applicant	5*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$731
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$727
Minimum annual wage committed to by applicant for qualified jobs	\$38,000
Minimum weekly wage required for non-qualifying jobs	
Minimum annual wage required for non-qualifying jobs	
Investment per Qualifying Job	\$40,000,000
Estimated M&O levy without any limit (15 years)	\$23,692,500
Estimated M&O levy with Limitation (15 years)	\$8,628,750
Estimated gross M&O tax benefit (15 years)	\$15,063,750
* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).	

Table 2 is the estimated statewide economic impact of Hale Wind Energy Project 1, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2015	0	0	0	\$0	\$0	\$0
2016	175	173	348	\$8,750,000	\$12,612,305	\$21,362,305
2017	5	19	24	\$190,000	\$2,861,758	\$3,051,758
2018	5	13	18	\$190,000	\$2,007,266	\$2,197,266
2019	5	7	12	\$190,000	\$1,396,914	\$1,586,914
2020	5	7	12	\$190,000	\$1,641,055	\$1,831,055
2021	5	9	14	\$190,000	\$1,396,914	\$1,586,914
2022	5	7	12	\$190,000	\$1,274,844	\$1,464,844
2023	5	7	12	\$190,000	\$1,030,703	\$1,220,703
2024	5	5	10	\$190,000	\$1,152,773	\$1,342,773
2025	5	15	20	\$190,000	\$1,274,844	\$1,464,844
2026	5	13	18	\$190,000	\$1,274,844	\$1,464,844
2027	5	9	14	\$190,000	\$1,274,844	\$1,464,844
2028	5	7	12	\$190,000	\$1,030,703	\$1,220,703
2029	5	3	8	\$190,000	\$1,030,703	\$1,220,703

Source: CPA, REMI, Hale Wind Energy Project 1, LLC

Table 3 examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives									
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Abernathy ISD I&S Tax Levy	Abernathy ISD M&O Tax Levy	Abernathy ISD M&O and I&S Tax Levies	Hale County Tax Levy	High Plains Undergroud Water District #1 Tax Levy	Estimated Total Property Taxes
			Tax Rate ¹	0.3300	1.1700	1.5000	0.4921	0.0080	
2017	\$ 187,500,000	\$ 187,500,000		\$618,750	\$2,193,750	\$2,812,500	\$922,688	\$15,049	\$3,750,236
2018	\$ 180,000,000	\$ 180,000,000		\$594,000	\$2,106,000	\$2,700,000	\$885,780	\$14,447	\$3,600,227
2019	\$ 172,500,000	\$ 172,500,000		\$569,250	\$2,018,250	\$2,587,500	\$848,873	\$13,845	\$3,450,217
2020	\$ 165,000,000	\$ 165,000,000		\$544,500	\$1,930,500	\$2,475,000	\$811,965	\$13,243	\$3,300,208
2021	\$ 157,500,000	\$ 157,500,000		\$519,750	\$1,842,750	\$2,362,500	\$775,058	\$12,641	\$3,150,198
2022	\$ 150,000,000	\$ 150,000,000		\$495,000	\$1,755,000	\$2,250,000	\$738,150	\$12,039	\$3,000,189
2023	\$ 142,500,000	\$ 142,500,000		\$470,250	\$1,667,250	\$2,137,500	\$701,243	\$11,437	\$2,850,180
2024	\$ 135,000,000	\$ 135,000,000		\$445,500	\$1,579,500	\$2,025,000	\$664,335	\$10,835	\$2,700,170
2025	\$ 127,500,000	\$ 127,500,000		\$420,750	\$1,491,750	\$1,912,500	\$627,428	\$10,233	\$2,550,161
2026	\$ 120,000,000	\$ 120,000,000		\$396,000	\$1,404,000	\$1,800,000	\$590,520	\$9,631	\$2,400,151
2027	\$ 112,500,000	\$ 112,500,000		\$371,250	\$1,316,250	\$1,687,500	\$553,613	\$9,029	\$2,250,142
2028	\$ 105,000,000	\$ 105,000,000		\$346,500	\$1,228,500	\$1,575,000	\$516,705	\$8,427	\$2,100,132
2029	\$ 97,500,000	\$ 97,500,000		\$321,750	\$1,140,750	\$1,462,500	\$479,798	\$7,825	\$1,950,123
2030	\$ 90,000,000	\$ 90,000,000		\$297,000	\$1,053,000	\$1,350,000	\$442,890	\$7,223	\$1,800,113
2031	\$ 82,500,000	\$ 82,500,000		\$272,250	\$965,250	\$1,237,500	\$405,983	\$6,621	\$1,650,104
					Total	\$30,375,000	\$9,965,025	\$162,527	\$40,502,552

Source: CPA, Hale Wind Energy Project 1, LLC

¹Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Hale County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatement with Hale County and High Plains Underground Water District #1.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Abemathy ISD I&S Tax Levy	Abemathy ISD M&O Tax Levy	Abemathy ISD M&O and I&S Tax Levies	Hale County Tax Levy	High Plains Underground Water District #1 Tax Levy	Estimated Total Property Taxes
				0.3300	1.1700	1.5000	0.4921	0.0080	
2017	\$ 187,500,000	\$25,000,000		\$618,750	\$292,500	\$911,250	\$470,571	\$7,675	\$1,389,495
2018	\$ 180,000,000	\$25,000,000		\$594,000	\$292,500	\$886,500	\$451,748	\$7,368	\$1,345,616
2019	\$ 172,500,000	\$25,000,000		\$569,250	\$292,500	\$861,750	\$432,925	\$7,061	\$1,301,736
2020	\$ 165,000,000	\$25,000,000		\$544,500	\$292,500	\$837,000	\$414,102	\$6,754	\$1,257,856
2021	\$ 157,500,000	\$25,000,000		\$519,750	\$292,500	\$812,250	\$395,279	\$6,447	\$1,213,976
2022	\$ 150,000,000	\$25,000,000		\$495,000	\$292,500	\$787,500	\$376,457	\$6,140	\$1,170,096
2023	\$ 142,500,000	\$25,000,000		\$470,250	\$292,500	\$762,750	\$357,634	\$5,833	\$1,126,217
2024	\$ 135,000,000	\$25,000,000		\$445,500	\$292,500	\$738,000	\$338,811	\$5,526	\$1,082,337
2025	\$ 127,500,000	\$25,000,000		\$420,750	\$292,500	\$713,250	\$319,988	\$5,219	\$1,038,457
2026	\$ 120,000,000	\$25,000,000		\$396,000	\$292,500	\$688,500	\$301,165	\$4,912	\$994,577
2027	\$ 112,500,000	\$112,500,000		\$371,250	\$1,316,250	\$1,687,500	\$553,613	\$9,029	\$2,250,142
2028	\$ 105,000,000	\$105,000,000		\$346,500	\$1,228,500	\$1,575,000	\$516,705	\$8,427	\$2,100,132
2029	\$ 97,500,000	\$97,500,000		\$321,750	\$1,140,750	\$1,462,500	\$479,798	\$7,825	\$1,950,123
2030	\$ 90,000,000	\$90,000,000		\$297,000	\$1,053,000	\$1,350,000	\$442,890	\$7,223	\$1,800,113
2031	\$ 82,500,000	\$82,500,000		\$272,250	\$965,250	\$1,237,500	\$405,983	\$6,621	\$1,650,104
					Total	\$15,311,250	\$6,257,667	\$102,061	\$21,670,977
					Diff	\$15,063,750	\$3,707,358	\$60,466	\$18,831,574
Assumes School Value Limitation and Tax Abatements with Hale County and High Plains Underground Water District #1.									

Source: CPA, Hale Wind Energy Project 1, LLC

¹Tax Rate per \$100 Valuation

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachment B – Tax Revenue over 25 Years

This represents the Comptroller's determination that Hale Wind Energy Project 1, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy and direct, indirect and induced tax effects from project employment directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2014	\$0	\$0	\$0	\$0
	2015	\$0	\$0	\$0	\$0
	2016	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2017	\$292,500	\$292,500	\$1,901,250	\$1,901,250
	2018	\$292,500	\$585,000	\$1,813,500	\$3,714,750
	2019	\$292,500	\$877,500	\$1,725,750	\$5,440,500
	2020	\$292,500	\$1,170,000	\$1,638,000	\$7,078,500
	2021	\$292,500	\$1,462,500	\$1,550,250	\$8,628,750
	2022	\$292,500	\$1,755,000	\$1,462,500	\$10,091,250
	2023	\$292,500	\$2,047,500	\$1,374,750	\$11,466,000
	2024	\$292,500	\$2,340,000	\$1,287,000	\$12,753,000
	2025	\$292,500	\$2,632,500	\$1,199,250	\$13,952,250
	2026	\$292,500	\$2,925,000	\$1,111,500	\$15,063,750
Maintain Viable Presence (5 Years)	2027	\$1,316,250	\$4,241,250	\$0	\$15,063,750
	2028	\$1,228,500	\$5,469,750	\$0	\$15,063,750
	2029	\$1,140,750	\$6,610,500	\$0	\$15,063,750
	2030	\$1,053,000	\$7,663,500	\$0	\$15,063,750
	2031	\$965,250	\$8,628,750	\$0	\$15,063,750
Additional Years as Required by 313.026(c)(1) (10 Years)	2032	\$877,500	\$9,506,250	\$0	\$15,063,750
	2033	\$789,750	\$10,296,000	\$0	\$15,063,750
	2034	\$702,000	\$10,998,000	\$0	\$15,063,750
	2035	\$614,250	\$11,612,250	\$0	\$15,063,750
	2036	\$526,500	\$12,138,750	\$0	\$15,063,750
	2037	\$438,750	\$12,577,500	\$0	\$15,063,750
	2038	\$438,750	\$13,016,250	\$0	\$15,063,750
	2039	\$438,750	\$13,455,000	\$0	\$15,063,750
	2040	\$438,750	\$13,893,750	\$0	\$15,063,750
	2041	\$438,750	\$14,332,500	\$0	\$15,063,750
		\$14,332,500	is less than	\$15,063,750	

Analysis Summary

Is the project reasonably likely to generate M&O tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?

No

NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levy directly related to this project.

Source: CPA, Hale Wind Energy Project 1, LLC

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

	Employment			Personal Income			Revenue & Expenditure		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2015	0	0	0	\$0	\$0	\$0	0	0	\$0
2016	175	173	348	\$8,750,000	\$12,612,305	\$21,362,305	1174927	-595093	\$1,770,020
2017	5	19	24	\$190,000	\$2,861,758	\$3,051,758	198364	244141	-\$45,777
2018	5	13	18	\$190,000	\$2,007,266	\$2,197,266	167847	244141	-\$76,294
2019	5	7	12	\$190,000	\$1,396,914	\$1,586,914	160217	259399	-\$99,182
2020	5	7	12	\$190,000	\$1,641,055	\$1,831,055	160217	228882	-\$68,665
2021	5	9	14	\$190,000	\$1,396,914	\$1,586,914	160217	183105	-\$22,888
2022	5	7	12	\$190,000	\$1,274,844	\$1,464,844	122070	152588	-\$30,518
2023	5	7	12	\$190,000	\$1,030,703	\$1,220,703	114441	137329	-\$22,888
2024	5	5	10	\$190,000	\$1,152,773	\$1,342,773	160217	122070	\$38,147
2025	5	15	20	\$190,000	\$1,274,844	\$1,464,844	183105	114441	\$68,664
2026	5	13	18	\$190,000	\$1,274,844	\$1,464,844	198364	83923	\$114,441
2027	5	9	14	\$190,000	\$1,274,844	\$1,464,844	144958	53406	\$91,552
2028	5	7	12	\$190,000	\$1,030,703	\$1,220,703	129700	38147	\$91,553
2029	5	3	8	\$190,000	\$1,030,703	\$1,220,703	122070	45776	\$76,294
2030	5	5	10	\$190,000	\$542,422	\$732,422	68665	-22888	\$91,553
2031	5	1	6	\$190,000	\$786,563	\$976,563	76294	-45776	\$122,070
2032	5	5	10	\$190,000	\$54,141	\$244,141	53406	-61035	\$114,441
2033	5	1	6	\$190,000	\$298,281	\$488,281	61035	-99182	\$160,217
2034	5	(1)	4	\$190,000	\$54,141	\$244,141	45776	-106812	\$152,588
2035	5	(5)	0	\$190,000	-\$190,000	\$0	0	-152588	\$152,588
2036	5	(1)	4	\$190,000	-\$678,281	-\$488,281	-38147	-190735	\$152,588
2037	5	(1)	4	\$190,000	-\$678,281	-\$488,281	-53406	-221252	\$167,846
2038	5	(5)	0	\$190,000	-\$1,166,563	-\$976,563	-30518	-244141	\$213,623
2039	5	(5)	0	\$190,000	-\$678,281	-\$488,281	-45776	-320435	\$274,659
2040	5	(3)	2	\$190,000	-\$922,422	-\$732,422	-45776	-366211	\$320,435
2041	5	(5)	0	\$190,000	-\$1,166,563	-\$976,563	-91553	-411987	\$320,434
2042	5	(5)	0	\$190,000	-\$1,166,563	-\$976,563	-122070	-427246	\$305,176
Total							\$3,074,644	-\$1,358,033	\$4,432,677
							\$18,765,177	is greater than	\$15,063,750
Analysis Summary									
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?									Yes

Attachment C – Limitation as a Determining Factor

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that “the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state.” This represents the basis for the Comptroller’s determination.

Methodology

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

Determination

The Comptroller has determined that the limitation on appraised value is a determining factor in the Hale Wind Energy Project 1, LLC decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Per the company, Tri Global’s management team is uniquely qualified to develop and construct wind and other energy projects throughout the United States.
- Per the applicant, a 313 limitation of appraised value agreement is a key tax incentive necessary to ensure the Project is on a level playing field with other wind projects with similar incentives and with alternative forms of generation that receive their own forms of economic support.

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- c) Additional information provided by the Applicant or located by the Comptroller

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Supporting Information

**Section 8 of the Application for
a Limitation on Appraised Value**

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? ☒ Yes ☐ No
2. The property will be used for one of the following activities:
 - (1) manufacturing ☐ Yes ☒ No
 - (2) research and development ☐ Yes ☒ No
 - (3) a clean coal project, as defined by Section 5.001, Water Code ☐ Yes ☒ No
 - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code ☐ Yes ☒ No
 - (5) renewable energy electric generation ☒ Yes ☐ No
 - (6) electric power generation using integrated gasification combined cycle technology ☐ Yes ☒ No
 - (7) nuclear electric power generation ☐ Yes ☒ No
 - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) ☐ Yes ☒ No
 - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 ☐ Yes ☒ No
3. Are you requesting that any of the land be classified as qualified investment? ☐ Yes ☒ No
4. Will any of the proposed qualified investment be leased under a capitalized lease? ☐ Yes ☒ No
5. Will any of the proposed qualified investment be leased under an operating lease? ☐ Yes ☒ No
6. Are you including property that is owned by a person other than the applicant? ☐ Yes ☒ No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? ☐ Yes ☒ No

SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:

<input type="checkbox"/> Land has no existing improvements	<input checked="" type="checkbox"/> Land has existing improvements (<i>complete Section 13</i>)
<input type="checkbox"/> Expansion of existing operation on the land (<i>complete Section 13</i>)	<input type="checkbox"/> Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? ☐ Yes ☒ No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? ☒ Yes ☐ No
3. Does the applicant have current business activities at the location where the proposed project will occur? ☒ Yes ☐ No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? ☐ Yes ☒ No
5. Has the applicant received any local or state permits for activities on the proposed project site? ☐ Yes ☒ No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? ☐ Yes ☒ No
7. Is the applicant evaluating other locations not in Texas for the proposed project? ☒ Yes ☐ No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? ☐ Yes ☒ No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? ☐ Yes ☒ No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? ☒ Yes ☐ No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

Supporting Information

**Attachments provided in Tab 5
of the Application for a
Limitation on Appraised Value**

Attachment 5

Documentation to assist in determining if limitation is a determining factor.

Chapter 313.026(e) states “the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2).” If you answered “yes” to any of the questions in Section 8, attach supporting information in Tab 5.

Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?

Hale Wind Energy Project 1, LLC was formed in 2015.

In support of its creation the participating members, Tri Global Energy, executed documents necessary to form the entity including an Operating Agreement and a Development Agreement with Hale Community Energy, LLC.

Since its formation Hale Community Energy, LLC and its subsidiaries have entered into the following representative agreements and contracts for the development of a project phase within the Abernathy ISD and intend to assign these assets to Hale Wind Energy Project 1, LLC:

- Grants of leases and easements covering approximately 17,000 acres with 70 landowners.
- Avian Study and contract with Turner Biological Consulting
- Bat Study and contract with Turner Biological Consulting
- Threatened & Endangered Species Studies and contract with Turner Biological Consulting
- Jurisdictional Wetland Study and contract with Turner Biological Consulting
- Wind Data Measurement & Analysis contract with Wireless Innovations for data transmission for to 60m Met Tower
- Contract with V-Bar for data storage and verification of met towers
- FCC & RF Studies and contract with ATDI, Inc.
- D&O Insurance Policy & Public Liability insurance contract with MHBT Marsh & McLennan Agency LLC

Does the applicant have current business activities at the location where the proposed project will occur?

The business activities these agreements and contracts listed above represent will determine with greater certainty and granularity the feasibility of completing development of an economic renewable energy project in the Abernathy ISD.

These contracts and initial investments are preliminary in nature as Tri Global and Hale Wind Energy 1 have determined that a value limitation agreement with Abernathy ISD is an essential economic driver to allow for the return on investment necessary to finance and construct the wind energy project.

Is the applicant evaluating other locations not in Texas for the proposed project?

Tri Global's management team is uniquely qualified to develop and construct wind and other energy projects throughout the United States. It has been responsible for the development, construction, and operations of approximately 3,100 MWs, or approximately 5%, of the U.S.' installed wind energy capacity. Based on this experience the management team evaluates all potential projects for feasibility, finance-ability, and the economic returns they represent in comparison to other project opportunities across the country.

The Hale Wind Energy 1 Project is currently in such a period of assessment to determine whether the identified site in Abernathy ISD represents the best location or whether redeployment of its development resources and capital to other power markets in the United States is more advisable.

A 313 Limitation of Appraised Value Agreement is a key tax incentive agreement necessary to ensure the Project is on a level playing field with other wind projects with similar incentives and with alternative forms of generation that receive their own forms of economic support. Without the requested limitation. The Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associated returns necessary to attract tax and sponsor equity investment. Such third-party investment is mandatory to finance the projected capital costs of approximately \$200M needed to purchase wind turbines and other infrastructure and to fund the construction and closing costs of the facility.

Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas?

The information provided in this Attachment and throughout the application has been assembled to provide the reviewer with the best possible data on which to make an assessment and determination of the critical nature of the limitation on appraised value to the feasibility of Hale Wind Energy 1.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

Supporting Information

**Additional information
located by the Comptroller**

NA